

GENDER PAY GAP REPORT 2019

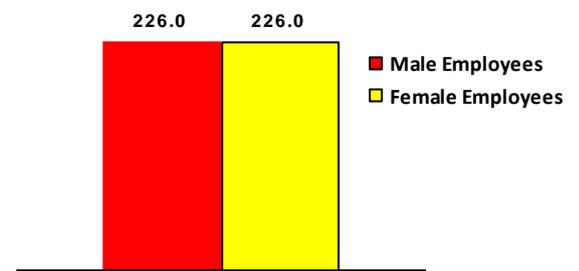
WHO ARE CHANCELLORS?

Chancellors (The Chancellors Group of Estate Agents Limited) are a private, independent limited Estate Agency company specialising in sales, lettings and property management. It consists of 55 branches over London, Buckinghamshire, Berkshire, Surrey, Oxfordshire, Herefordshire, Wiltshire and Mid Wales. Its Head Office is based in Bracknell and this houses its administrative and central support functions.

EQUAL NUMBER OF MALE AND FEMALE EMPLOYEES

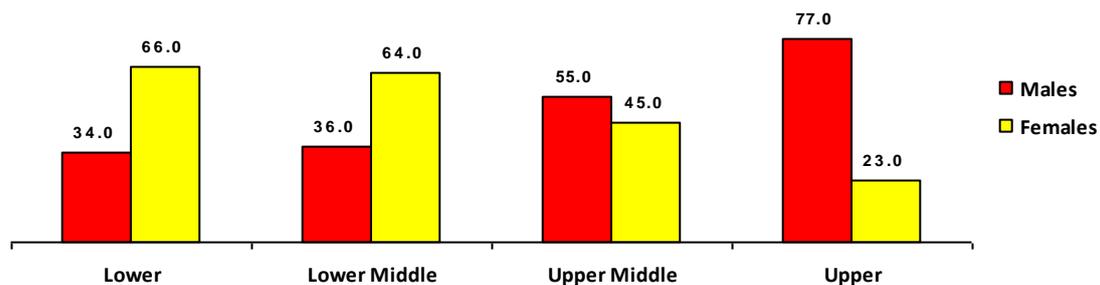
We are pleased to have an equal number of male and female employees. Like the majority of the estate agency industry, our pay structure is heavily commissionable in order to appropriately and fairly reward those employees who get results. The gender pay gap calculations include commission earnings and are therefore heavily impacted by individual's personal performances.

Commission structures are standardised across each department albeit taking into account geographical area, seniority, length of service (some employees may be on historic pay deals). At Chancellors, commissions are uncapped meaning that it is down to individual performance as to their earnings. Basic pay is offered based on a candidate's job role and location but is on a standard scale. Last year we launched a progression plan for all branch-based staff which provides a fixed basic salary at each job level to ensure basic pay is fair and transparent.



PROPORTION OF MALES AND FEMALES IN EACH QUARTILE PAY BAND

This calculation organises the employees by hourly rate of pay and then splits the employees into quartiles. It then looks at how many males and females are in each quartile.



We welcome diversity and completely agree with the ideals behind the gender pay gap report, however it is important to note when considering the results of any gender pay gap report that the report does not measure the pay difference between a male and a female doing the same job, in the same area, with the same working pattern. It also does not include any other pertinent information that may impact a person's salary or pay structure such as longevity of service.

As a company, we are confident that we offer fair and equal pay deals to employees who perform the same role, at the same level, in the same area.

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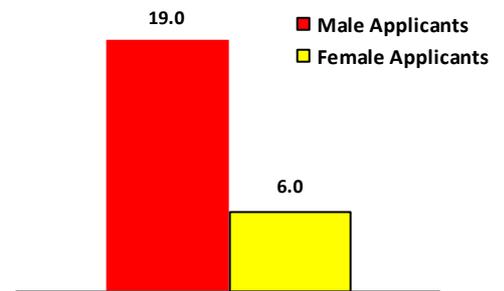
The number of male and female employees in the senior team within Chancellors (Directors, Area Directors and Department Heads) has moved further towards a balance and is reflected in these results. These figures (shown below) support our understanding of why the average male hourly rate is above that of the female hourly rate and would be expected where you have more males in senior positions.



These results therefore reflect what we would expect to see however we appreciate that this highlights its own issue that although we have been conscious of having an equal number of males and females, we do not have a fair distribution of males and females throughout the company and into the upper quartiles across the entire business.

When we break this down further and look at the balance between male and female applicants to a job vacancy, we see a disproportionately higher number of male applicants than female applicants.

An example of this is the number of applicants to a recent Regional Manager vacancy we had in Berkshire. During the recruitment process, involving both direct applicants and agency applicants, we saw 19 Male applicants and 6 Female applicants for this vacancy.

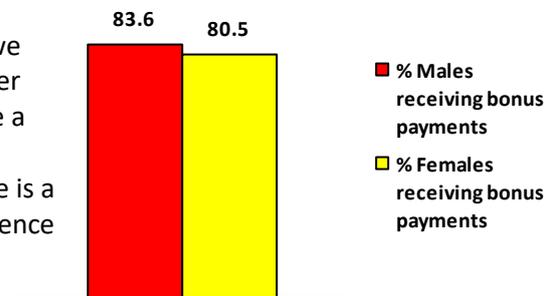


Our recruitment process for vacancies of this type will involve more than one stage and at this level may involve developing a business plan or strategy on a small scale. We have a very clear policy against discrimination of all forms, including positive discrimination. All candidates are considered based on their suitability for the role and their performance during the interview and selection process.

PROPORTION OF MALES AND FEMALES RECEIVING BONUS PAYMENTS

This calculation works out how many male and female staff we have in total and what percent of these earned a bonus (including any commission payments, competition win vouchers etc) in the 12 months preceding the snapshot date.

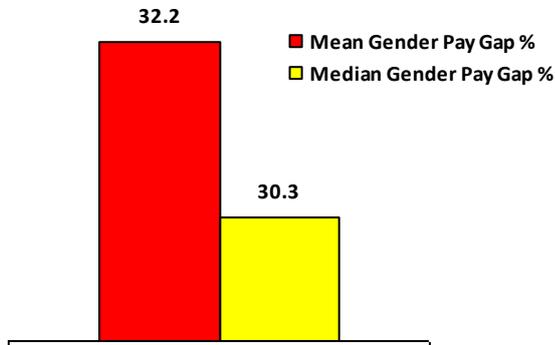
Technically, all employees are eligible to receive bonus/commissions as we have standard schemes in place for Employee Referrals and so on however there are a number of support and administrative jobs which do not have a specific commission scheme associated with the role and therefore you would not expect these staff to earn commission as standard. Given there is a higher level of females in Head Office administrative positions, this difference is not unexpected.



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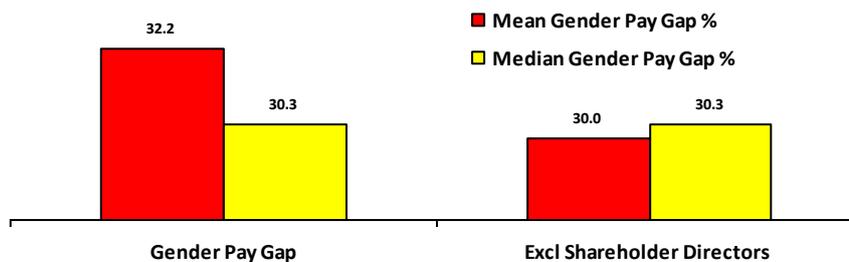
OUR GENDER PAY GAP

The gender pay gap is based on the hourly pay for employees that were employed on 6 April 2019 and who received full pay for that pay period. It includes basic pay, commissions and performance or role bonuses.



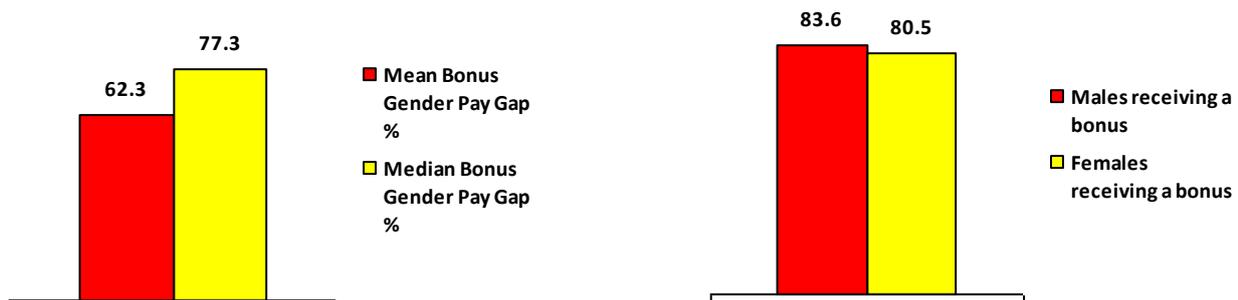
We reviewed our gender pay gap if one were to exclude commission payments to more fairly review the gender pay gap which is controlled solely by the Company. Like most companies, we still expected to see a gender pay gap as the majority of the senior management team and all 3 of the Shareholder Directors who manage the business on a day to day basis are male. We appreciate that this highlights a different issue which we come on to later in the report.

As the below graph demonstrates, our gender pay gap significantly drops when you remove the Shareholder Directors. We do still have a gender pay gap of 30% (Mean) and 30.3% (Median) however given the proportion of males in the Upper quartile, this is to be expected.



OUR BONUS GENDER PAY GAP

The bonus gender pay gap is based on the total bonus pay received by employees who were employed on 5 April 2019 in the 12 months directly preceding this date. Bonus pay includes things such as commissions, performance bonuses, competition win vouchers and long service awards with a cash value (e.g. vouchers).



We were disappointed by the bonus gender pay gap especially given that bonuses are awarded for meeting specific performance criteria over a set period of time and are completely unaffected by anything other than an individual's personal performance. Commissions are paid at standard rates (albeit can be varied based on factors such as geographical location, seniority and department) and these are uncapped therefore the figure is determined by the performance of the employee in question.

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There is some distortion where Administration and support roles based in Head Office (which are mostly held by female members of staff) do not necessarily have role specific commission schemes and their pay package is therefore just basic salary. However, they have earned very small amounts of commission where they have happened to upsell or refer a customer they are speaking to. Because this is rare, this then amounts to a small amount over the year but because they have earned some payment, they are included in the calculations which then brings down the average.

Overall, given the significantly higher proportion of males in the senior positions within the Company, a bonus gender pay gap would be expected however this figure is disappointingly high.

SUMMARY AND CONCLUSION

The Gender Pay Gap Report 2019 highlights that Chancellors has a gender pay gap which we believe is created by fewer females in the senior tiers of the company and by a higher proportion of females opting to take support and administrative positions which are paid less.

We are confident that employees working the same job in the same area are paid fairly and have the ability to earn the same monies dependent on their personal performance.

We have identified that we do have a disproportionately low level of females in more senior positions in the Company and will review what we can do to encourage more applications, internally or externally where these positions become available moving forwards.